

LOUISVILLE HOUSING CORPORATION
Louisville, Colorado

FINANCIAL STATEMENTS
December 31, 2011 and 2010

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CliftonLarsonAllen

CliftonLarsonAllen LLP
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Independent Auditor's Report

Board of Directors
Louisville Housing Corporation
Louisville, Colorado

We have audited the accompanying statements of financial position of Louisville Housing Corporation (the Corporation) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisville Housing Corporation as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 27, 2012

FINANCIAL STATEMENTS

LOUISVILLE HOUSING CORPORATION
STATEMENTS OF FINANCIAL POSITION
 December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Investment in Limited Partnership	\$ <u>(125)</u>	\$ <u>(109)</u>
TOTAL ASSETS	\$ <u><u>(125)</u></u>	\$ <u><u>(109)</u></u>
NET ASSETS		
Unrestricted Net Assets	\$ <u>(125)</u>	\$ <u>(109)</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>(125)</u></u>	\$ <u><u>(109)</u></u>

The accompanying notes are an integral part of these statements.

LOUISVILLE HOUSING CORPORATION

STATEMENTS OF ACTIVITIES

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
PROGRAM EXPENSES		
Loss on Investment in Limited Partnership	\$ <u>16</u>	\$ <u>7</u>
TOTAL PROGRAM EXPENSES	<u>16</u>	<u>7</u>
CHANGE IN NET ASSETS	(16)	(7)
UNRESTRICTED NET ASSETS, Beginning	<u>(109)</u>	<u>(102)</u>
UNRI TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>(125)</u></u>	\$ <u><u>(109)</u></u>

The accompanying notes are an integral part of these statements.

LOUISVILLE HOUSING CORPORATION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ <u>(16)</u>	\$ <u>(7)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Changes in Assets and Liabilities		
Investment in Limited Partnership	<u>16</u>	<u>7</u>
Total Adjustments	<u>16</u>	<u>7</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these statements.

LOUISVILLE HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Louisville Housing Corporation (the Corporation) was formed to directly or indirectly provide elderly, low-income, handicapped, homeless, potentially homeless or otherwise disadvantaged persons with decent, safe and affordable housing opportunities and to directly or indirectly develop, own, operate and manage affordable housing projects and to provide, obtain or otherwise procure equity and debt financing in such projects. Louisville Housing Corporation is a wholly-owned subsidiary of Louisville Housing Authority. Both Louisville Housing Authority and Louisville Housing Corporation are managed by Boulder County Housing Authority.

Basis of Accounting

The Louisville Housing Corporation uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investment in Limited Partnership

The Corporation's investment in limited partnership is accounted for using the equity method.

Cash Flow Statement

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less.

LOUISVILLE HOUSING CORPORATION

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2011 and 2010

2: INVESTMENT IN LIMITED PARTNERSHIP

The Corporation is a general partner in Lincoln Street Elderly Limited Partnership, a limited partnership formed to construct and operate an affordable housing project in the City of Louisville, Colorado. The Corporation has a .01% interest in the profits and losses of the partnership. Key partnership information for the years ended December 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Total Assets	\$ 1,498,278	\$ 1,560,640
Total Liabilities	1,553,521	1,548,492
Total Partners' Capital	(55,243)	12,148
Net Income (Loss)	(67,391)	(71,137)

3: INCOME TAXES

The Louisville Housing Corporation is a Colorado non-profit organization. For federal income tax purposes, the Corporation is responsible for any applicable taxes due on earnings. No tax liability existed at December 31, 2011 or 2010.

4: SUBSEQUENT EVENTS

The Corporation did not have any subsequent events through February 27, 2012, which is the date the financial statements were available to be issued, requiring recording or disclosure in the financial statements for the year ended December 31, 2011.